

NorRail®, Inc.
Buying, Selling, Leasing
And Management of Railcars

308 12th Avenue South, Buffalo, Minnesota 55313 • Phone: (612) 557-0215 • Fax: (612) 682-2452

Mr. Vernon A. Williams
Secretary
Surface Transportation Board
1925 K. Street NW, Suite 700
Washington, D.C. 20423

February 19, 1998

RECORDATION NO. 21238 FILED

FEB 25 '98 11-23 AM

Dear Mr. Williams:

Enclosed for recordation pursuant to the provisions of 49 U.S.C. Section 11301(a) are two originals of Memorandum of Railcar Lease Agreement dated as of September 17, 1997, a primary document as defined in the Board's Rules for Recordation of Documents.

The names and addresses of the parties to the enclosed documents are:

Lessor: NorRail, Inc.
308 - 12th Avenue South
Buffalo, MN 55313
Phone: 612-557-0215

Lessee: Herman/Norcross Ag Services
c/o Harvest States Cooperatives
1667 Snelling Avenue
St. Paul, MN 55164
Phone: 612-646-9433

The Memorandum of Railcar Lease Agreement covers 72 Covered hoppers identified in Exhibit A to the Memorandum of Railcar Lease Agreement. Enclosed is our check in the amount of \$24.00 payable to the order of the Surface Transportation Board covering the required recordation fee. Kindly return one stamped copy of the enclosed document to the undersigned. If you have any questions or require any further information in connection with this filing, please contact the undersigned at 612-557-0215.

Very truly yours,

Bradley C. Gunstad
Vice President & General Counsel
Enclosures

FORMS/STB

MEMORANDUM OF RAILCAR LEASE AGREEMENT

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THIS MEMORANDUM OF RAILCAR LEASE AGREEMENT is made and entered into as of September 17, 1997 by and between NorRail, Inc., a Minnesota Corporation ("Lessor") and Herman/Norcross AG Services a Minnesota Corporation ("Lessee"), with reference to the following:

1. Lessor has agreed to lease to Lessee, and Lessee has agreed to lease from Lessor various railcars pursuant to one or more Schedules to the Lease to be entered into by Lessor and Lessee from time to time, all as more particularly described in that certain Railcar Service and Lease Agreement No. 1754 dated September 17, 1997 between Lessor and Lessee (hereinafter referred to as the "Lease").
2. Pursuant to Schedule No. 1 to the Lease, Lessor has agreed to lease to Lessee and Lessee has agreed to lease from Lessor the 72 covered hopper railcars bearing the reporting marks and road numbers indicated on Exhibit A hereto, all as more particularly described in the Lease.
3. The Lease shall be effective as of the execution date thereof and shall be subject to the term of the Lease, as provided therein.

IN WITNESS WHEREOF, the parties hereto have executed or caused this Memorandum of Railcar Lease Agreement to be executed as of the date first above written.

Lessee: NORRAIL, INC.

Lessor: HERMAN/NORCROSS AG
SERVICES

By: [Signature]

Its: President

By: [Signature]

Its: V. P. SALAS

By: [Signature]

Its: GENERAL MANAGER

By: [Signature]

Its: President

EXHIBIT A

To

MEMORANDUM OF RAILCAR LEASE AGREEMENT #1754

Railcar Marks/Numbers

Original Cars remaining on Lease:

NRLX 46008	NRLX 46274	NRLX 47135
NRLX 46016	NRLX 46279	NRLX 47139
NRLX 46070	NRLX 46376	NRLX 47141
NRLX 46073	NRLX 46403	NRLX 47143
NRLX 46074	NRLX 46409	NRLX 47144
NRLX 46240	NRLX 46427	NRLX 47147
NRLX 46241	NRLX 47064	NRLX 47174
NRLX 46246	NRLX 47067	NRLX 47214
NRLX 46249	NRLX 47123	NRLX 47252
NRLX 46251	NRLX 47130	NRLX 47255
NRLX 46254	NRLX 47133	NRLX 47355
NRLX 46273	NRLX 47134	NRLX 47356

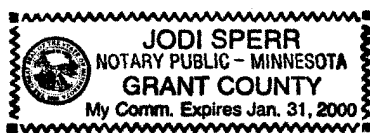
New cars for amended lease:

NRLX 47017	NRLX 47162	NRLX 47236
NRLX 47018	NRLX 47194	NRLX 47239
NRLX 47020	NRLX 47196	NRLX 47242
NRLX 47030	NRLX 47202	NRLX 47244
NRLX 47037	NRLX 47203	NRLX 47271
NRLX 47070	NRLX 47215	NRLX 47272
NRLX 47072	NRLX 47216	NRLX 47273
NRLX 47073	NRLX 47217	NRLX 47297
NRLX 47074	NRLX 47218	NRLX 47299
NRLX 47076	NRLX 47226	NRLX 47301
NRLX 47120	NRLX 47229	NRLX 47350
NRLX 47160	NRLX 47234	NRLX 47352

STATE OF MN, COUNTY OF GRANT TO
WIT:

On this 13 day of JANUARY, 1998 before me
personally appeared, Kelly Longtin and Douglas Oachs
_____, to me personally known, who being by me duly sworn,
says that they are the
General Manager and President, respectively of Herman-Norcross
Ag Services, Inc., a MN Corporation, that said
instrument was signed on behalf of said corporation by authority of
its Board of Directors, and they acknowledged that the execution of
the foregoing instrument was the free act and deed of said
corporation.

(Seal)



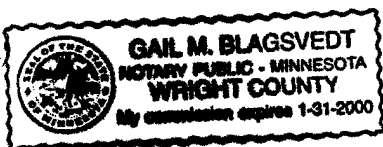
Jodi Sperr
Notary Public

My commission expires: 01-31-2000

STATE OF MINNESOTA, COUNTY OF WRIGHT TO WIT:

On this 31st day of December, 1997 before me personally
appeared, Robert D. Johnson and L. Lee Shuble,
to me personally known, who being by me duly sworn, says that
they are the
President and V.P. Sales, respectively of
NorRail, Inc. a Minnesota Corporation, that said instrument was
signed on behalf of said corporation by authority of its Board of
Directors, and they acknowledged that the execution of the
foregoing instrument was the free act and deed of said corporation.

(Seal)



Gail M. Blagsvedt
Notary Public

My commission expires: 1-31-2000